



State of Arizona
Department of Education

Tom Horne
Superintendent of
Public Instruction

July 12, 2005

FD 02-06

**TO: National School Lunch Administrators
Commodity Contacts**

**FROM: Mary Szafranski, Deputy Associate Superintendent
Health and Nutrition Services**

SUBJECT: Welcome Packet-School Year 2006

The enclosed materials are for the 2005-2006 school year. It is important that you carefully and completely read the entire memo.

Below are attachments to this memo:

- SY 06 Calendar for Group A & B commodities. *These are only **estimated** arrival dates.*
- Storage Self Evaluation Form – *After completion of this form, keep it in your files. It must be completed at the beginning of each school year.*
- Temperature Chart to be posted for all storage areas.
- Contact List for ADE and US Foodservice
- Commodity Fact Sheet-*Copy of the Internet Page*
- Commodity Values-*Copy of the Internet Page*
- Warehouse Order Placement Schedule
- Food Distribution Registration Form and Schedule
- Delivery Information Application-**This needs to be completed and faxed back to ADE immediately.**

Commodities On-line

In order for schools to access allocated commodities, place refusals and commodity orders, all schools need to be registered for access on the Internet. If you are not currently hooked up or have not attended training you need to register **immediately. Allocations will be posted on-line for those who have attended training and have a user ID and password. **If you are a new Food Service Director and are using a previous director's ID and password, STOP! Everyone on-line must have their own password.** We will be turning off all passwords of Director's that have left their current position.**

Commercial Labels

USDA will continue to purchase commodities using commercial labels. This is optional for vendors so you will be receiving both commercial labels as well as USDA labels.

Single Inventory of USDA Commodities

In order to make the single inventory system possible, USDA has granted State Distributing Agencies, Department of Education, two voluntary waivers for all schools ***not using a management company***: 1) 7 CFR Part 250.14(e) that requires State Distribution Agencies to take an annual physical inventory of USDA commodity foods during the annual sponsor reviews; and 2) 7 CFR Part 250.16(a)(2) that requires sponsors to maintain an accurate and complete inventory of USDA commodity foods. **This waiver does not apply to Food Service Management Companies.**

Inventory and Storage Requirements

Arizona Department of Education has implemented the single inventory record keeping system. Good inventory management and control practices must be maintained when using the single inventory system where purchased and commodity foods are inventoried together. **Sponsors that are not using a Food Service Management Company** no longer will be required to keep a separate inventory of USDA commodity foods. Sponsors must treat and safeguard commodities just as they do purchased foods. Schools will still be audited and must show how inventory movement occurred. Therefore, keep documentation of all losses or transfers on file.

What Does This Mean?

Due to implementation of the single inventory system *sponsors not using a management company* **WILL NOT** be required to submit an annual commodity inventory report to ADE at the end of the school year. Food Service Management Companies are required to submit the inventory form by September 10. Those same sponsors will no longer be required to report loss, damaged or out-of condition commodities to ADE unless the value of the loss exceeds \$2,500. Sponsors will treat the loss in the same manner as you treat purchased food losses. Finally, arrangements for transfers of commodities to other schools will be done at the local level and is not required to go through ADE. Sponsors may use commodity foods across programs as long as all income accrues to the nonprofit food service account. Sponsors are responsible for ensuring that all food resources are used properly. Misuse of food service commodities is subject to criminal prosecution under Section 12(g) of the National School Lunch Act.

Commodity Distributor/Delivery Prices

ADE has renewed the contract with US Foodservice, formally Alliant, to continue distribution of the USDA commodities for School Year 05. Prices are identified below:

<i>Prep Site</i>	\$3.20 per case (10 case minimum<250 ADP) (20 case minimum>251 ADP)
<i>Warehouse</i>	\$3.05 per case (100 case minimum, exchangeable pallets & Forklift required)
<i>Pick Up</i>	\$2.24 per case (100 case minimum, exchangeable pallets & refrigerated truck required)

Excess Storage Charges/Administrative Fee

ADE will invoice all schools for Excess Storage charges on cases allocated that are not refused by the refusal date or ordered out by the close date. **This fee will be applied to ALL allocations**, such as NOA's for A & B commodities, Group B products not ordered out in the month identified on your Planned Usage Request Form, Surplus requests, and Special requests. Invoices are due net 30 days, **if after 60 days we still have not received payment, your reimbursement claims will be held until payment has been received.** To avoid any confusion, be sure to identify the invoice number you are paying on the check/warrant.

Processed Commodities As Surplus

As a result of physical inventory, ADE will have a limited number of unclaimed end products available to schools as surplus. The fee will only be the distribution fee US Foodservice charges. We will make them available on a first come, first serve basis. Please contact Barbara Lado for a current surplus list of end products.

Commodity Training and Ordering on the Internet

The Food Distribution Program is operating 100% on-line. Those that are not on the Internet will have no way to refuse or order their commodities or view entitlement.

You will find a registration form for training to learn how to use the Food Distribution CNP2000 Internet program in this packet. *This form is only for those that have not attended training and do not have a user ID and password.* For your convenience, "Internet" training classes have been set-up in Phoenix, Tucson and Flagstaff. There is no charge for this training.

Please take a look at the included registration form and find the location and time that will work best for your schedule. **Complete the registration form and fax it to ADE to enroll for the Internet training; space is limited and filling up fast. So Hurry!**

ADE will post the allocations on Tuesdays and Thursdays depending on new shipment arrivals at US Foodservice. Therefore, you can view new allocations on Wednesdays and Fridays. *It is suggested that you develop an internal office policy to check for new allocations at least once a week.* New allocations don't beep like an e-mail would when a new one has been posted to the Internet.

A sponsor, who has Internet capabilities and is logged into the system, will be able to receive all allocations on-line. Refusing and ordering commodities are entered directly to the distributor speeding your order and reducing your paperwork. **Since US Foodservice requires a 72-hour prior notice for all orders, they have provided an "Order Placement Schedule" for your convenience** (also included in this packet).

Food Distribution "Overview" Training Opportunities

Food Distribution Overview will teach you how to participate in the commodities program. This workshop is different than the Internet training classes. This is an all-encompassing workshop covering the entire Program of Food Distribution. The Overview training is done in conjunction with the NSLP training. Commodities training will be "Module 5" of the workshop.

Attached is a list of all training dates, times and locations. Registration can be done on-line at www.ade.az.gov/onlineregistration. There is no charge for this training.

Classified Ads

If you have any commodities that you are trying to transfer, or if you are looking for a specific commodity and need assistance, you can contact any Food Distribution staff.

Delivery Window

The delivery window for all commodity deliveries by US Foodservice is 6:00 a.m. to 2:30 p.m. Many sponsors have been requesting specific delivery times for their school. However, there are approximately 340 sponsors receiving commodities at over 4000 delivery sites. It is not possible for US Foodservice to accommodate delivery time requests.

If you have a problem with a specific delivery day or time, please call Linda Thompson at US Foodservice. If you continue to experience delivery problems, i.e. drivers delivering outside the required time, you need to contact Leona Benally immediately. Unless we hear from you with delivery problems, we assume that everything is going smoothly.

School Closures

If your school will be closed for an early release day or holiday and you have placed an order for that day, it is **your responsibility** to have someone **readily available** at the school to accept the delivery. You must notify US Foodservice of any school closures that will affect your delivery. Linda Thompson is your contact. You will receive an invoice from US Foodservice for a restocking fee if no one is available to receive an order placed by your district. Best Advice: Be aware of your school calendar and order accordingly.

Processing Commodities

In conjunction with the AzSFSA Winter Conference, ADE will be conducting a processing workshop. This workshop is highly encouraged for all schools that process commodities. As details are finalized between AzSFSA and ADE, sponsors will be notified.

Surplus Commodities

Surplus is available to any school district the entire year. This list is updated daily. If you are interested in obtaining an updated surplus list, you can call Barbara Lado. She will fax you the list to complete and then you can fax back to her so she is able to allocate your request.

If there is anything the Food Distribution staff can do to assist you during the school year, please don't hesitate to call any one of the Food Distribution Team. We are here to assist you in any way we can to help ensure a successful Food Distribution Program.